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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1942

No. 126

MUSHER FOUNDATION, INC.,

Petitioner,

vs.

ALBA TRADING CO., INC.

PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES CIRCUIT COURT OF APPEALS
FOR THE SECOND CIRCUIT.

HARRY PRICE,
Counsel for Petitioner.

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ALBA TRADING CO., INC.,

Respondent-Defendant.

**PETITION FOR WRIT OF CERTIORARI TO THE
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FOR THE SECOND CIRCUIT.**

*To the Honorable, the Chief Justice and the Associate
Justices of the Supreme Court of the United States:*

Petitioner, Musher Foundation, Inc., respectfully prays that a writ of certiorari issue to the Circuit Court of Appeals for the Second Circuit to review a judgment of said court entered April 10, 1942, (R. 35) affirming a decree of the United States District Court for the Southern District of New York, dismissing a second cause of action on an amended complaint for lack of jurisdiction because there was no allegation of diverse citizenship between the parties to the suit.

I. Summary and Statement of Matter Involved.

The Plaintiff, Musher Foundation, Inc., brought suit against Alba Trading Co., and in its amended complaint alleged:

(1) For a first cause of action, that the Defendant by manufacturing and selling "Olive Infused Corn Oil" under the brand name "Bertola" infringed three patents, Nos. 2,069,265, 2,199,364 and 2,221,404, belonging to Plaintiff, which patents cover "Olive Infused Corn Oil" and processes for producing the same by treatment of the corn oil with a sufficient amount of olive paste to prevent rancidity.

(2) For a second cause of action that the Defendant infringed Plaintiff's common law rights in the words "Infused", "Infusing" and "Infusion" and was guilty of unfair competition with Plaintiff by embodying in Defendant's advertising and applying to its containers for the sale of oil the words "Infused", "Infusing" and "Infusion" which had acquired a secondary meaning indicating the product that had been made in accordance with Plaintiff's patents above referred to.

The Petitioner-Plaintiff and the Respondent-Defendant are both New York corporations and there is no diversity of citizenship. Jurisdiction of the Federal Court as to the first cause of action arose under the patent laws of the United States while as to the second cause of action jurisdiction only arose because the same acts and facts as constituted the acts of patent infringement under the first cause of action also constituted acts of unfair competition on the part of the Defendant as against the Plaintiff.

The Honorable John W. Clancy, United States District Judge for the Southern District of New York, on December 26, 1941, upon motion by the Defendant dismissed the sec-

ond cause of action relating to the unfair competition arising out of the same acts as constituted the acts of patent infringement upon the grounds:

(a) that said second cause of action failed to state a claim against the Defendant upon which relief could be granted, and

(b) that the Court lacked jurisdiction, there being no diversity of citizenship between Plaintiff and Defendant.

This ruling of Judge Clancy dismissing the second cause of action upon the ground that the Court lacked jurisdiction in the absence of diversity of citizenship was contrary to the ruling of this Court in *Hurn v. Oursler*, 289 U. S. 238, and is also contrary to other interpretations of this decision by other judges in the United States District Court for the Southern District of New York and other United States District Courts in other parts of the country.

Among these cases which interpret the ruling of *Hurn v. Oursler*, 289 U. S. 238, contrariwise to the interpretation of Judge Clancy are

(a) *Matchiabelli v. Anhalt*, 40 Fed. Supp. 848, Judge Coxe, United States District Judge for the Southern District of New York;

(b) *Ross v. Neuville*, 34 F. Supp. 466, 467, Judge Campbell, United States District Judge for the Eastern District of New York; and

(c) *Joyce, Inc., v. Fern Shoe Co. et al.*, 32 F. Supp. 401, 406, United States Court for the Southern District of California.

In each of these last mentioned cases the District Court relying upon this Court's decision in *Hurn v. Oursler*, 289

U. S. 238, reached a diametrically opposite result from that arrived at by Judge Clancy.

The decision of the District Court then was appealed by the Plaintiff.

In the Circuit Court of Appeals for the Second Circuit, the Circuit Judges disagreed, Judges Swan and Augustus N. Hand agreeing with Judge Clancy's interpretation of *Hurn v. Oursler* and Judge Clark agreeing with the interpretations of contrary cases.

The majority of the Circuit Court of Appeals held that the Court had no jurisdiction over the acts of unfair competition because of the lack of diversity of citizenship, while the minority held that the Court did have such jurisdiction where the acts of unfair competition were substantially the same acts as gave rise to the first cause of action in patent infringement.

The Circuit Court of Appeals for the Second Circuit modified the decision of Judge Clancy however in deciding that the second cause of action set forth sufficient facts to constitute a case of unfair competition so that this question is not involved upon this petition.

Therefore, this petition presents an important question of wide and general interest involving the proper interpretation of this Court's decision in *Hurn v. Oursler*, 289 U. S. 238.

II. Jurisdiction.

(a) The jurisdiction of this Court is invoked under paragraph 240 (a) of the Judicial Code as amended by the Act of Feb. 13, 1925, 28 U. S. C. 347(a), and under Judicial Code 262, 28 U. S. C. 377.

(b) The judgment or decree dated April 10, 1942.

III. Questions Presented.

Whether an act of unfair competition in selling a can of "Olive Infused Corn Oil" with a deceptive and misleading label likely to cause palming off the product of defendant as a product of plaintiff, when it also constitutes an act of patent infringement, should not be considered by the United States District Court having jurisdiction over the parties under the patent laws of the United States, where the patents involved cover both the "Olive Infused Corn Oil" sold in unfair competition as well as the process by which it has been made.

IV. Reasons Relied On for Allowance of the Writ.

The opinion of the Circuit Court of Appeals for the Second Circuit in this case (127 F. (2d) 9) shows an irreconcilable conflict not only between the majority and the minority of the judges who dissented but as to other decisions and opinions both of the Circuit Court of Appeals for the Second Circuit (see also *Treasure Imports, Inc., v. Armidur, et al.*, 127 F. (2d) 3, and *Pure Oil Co. v. Puritan*, 127 F. (2d) 6) and other courts as to the proper interpretation of the Supreme Court's decision in *Hurn v. Oursler*, 289 U. S. 238.

The opinion of the Circuit Court of Appeals which has already been reported at 127 F. (2d) 9 fully sets forth this conflict in the majority and minority opinions so that no brief in support of this petition appears to be necessary.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Court directed to the United States Circuit Court of Appeals for the Second Circuit commanding the said court to certify and send to this Court on a day to be designated, a full transcript of the record and all proceedings of said

Circuit Court of Appeals in the case numbered and entitled on its docket "No. 212, October term 1941, Musher Foundation, Inc., plaintiff-appellant *vs.* Alba Trading Co., Inc., defendant-appellee", to the end that this case may be reviewed and determined by this Court; that the judgment of said Court of Appeals for the Second Circuit be reversed; and that petitioner be granted such other and further relief as to this Honorable Court may seem meet and proper.

MUSHER FOUNDATION, INC.,

By HARRY PRICE,

Counsel for Petitioner.